



| Flash |

Fragile Ceasefire – SITREP #38:

May 28, 2026

F-2026-05-28a

Classification: TLP:CLEAR

Criticality: High

Intelligence Requirements: Geopolitics

May 28, 2026

Scope Note

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| Key Findings

- The United States and Iran have likely reduced their negotiation gaps, making a memorandum of understanding (MOU) on ending the war more likely. Initial reports indicate that the latest draft MOU outlines a roadmap for a permanent end to the war and includes a 60-day window to implement a full peace deal and negotiate other issues. That window would almost certainly be extended.
- As predicted in ZeroFox’s SITREP report dated April 23, 2026, the United States has likely adjusted its negotiating position to align closer with Iranian demands, led by moving away from an immediate mandate to denuclearize and instead pushing the topic until a later date. However, key differences remain, and a formal acknowledgement ending the war has yet to materialize, making a return to conflict unlikely but not improbable—especially if talks collapse or stall into June.
- Global markets are reacting positively, suggesting deal prospects outweigh escalatory risks. However, the relative lack of economic pressure on the United States is likely delaying full support for the MOU, as it is likely leading to internal concerns that the deal is overly favorable to Iran.

| Latest Details

The terms of the latest MOU offer Iran economic incentives to relinquish control over the Strait of Hormuz (SoH), enabling the resumption of oil exports through sanctions relief.¹ While previous U.S. drafts conditioned such relief on denuclearization,² the Trump administration likely found this agreement acceptable because recent Iranian proposals aligned more closely with the U.S. nuclear position, despite requiring certain U.S. concessions. The current MOU dictates that the United States will end the war, lift its naval blockade, and provide economic incentives before addressing nuclear concessions—a development that resolves the impasse regarding the sequence of negotiations even if both sides continue to hold fundamentally different positions on most major issues.

- The latest MOU maintains that Iran must eliminate its highly enriched uranium but defers enforcement of this requirement. While Iran has recently shown flexibility regarding its nuclear program, it remains highly unlikely to accept the total elimination of its enriched uranium. Consequently, there is a roughly even chance that this issue could derail a long-term agreement. Based on previous Iranian proposals, a more likely long-term outcome would involve Iran pausing Iranian enrichment for a longer period of time (less than the U.S. demand of 20 years but more than Iran’s demand of three to 10 years), eliminating most of its existing enriched uranium, and permitting international inspections of its nuclear sites.
- The United States will very likely condition full sanctions relief on concrete nuclear commitments over the medium term. Although initial sanctions relief is anticipated, the full unfreezing of Iranian assets and comprehensive relief will likely be tied to either an Iranian commitment not to develop nuclear weapons or an enrichment pause. While this issue is unlikely to derail the MOU in the short term, the possibility that it hinders a more lasting commitment beyond the initial 60-day period remains high.

¹ [hXXps://thesoufancenter\[.\]org/intelbrief-2026-may-26/](https://thesoufancenter.org/intelbrief-2026-may-26/)

²

[hXXps://www.wsj\[.\]com/world/middle-east/iran-talks-bog-down-over-nuclear-program-sanctions-relief-31702b6f](https://www.wsj.com/world/middle-east/iran-talks-bog-down-over-nuclear-program-sanctions-relief-31702b6f)

Straight of Hormuz

U.S. President Donald Trump stated that the MOU will lead to the reopening of the SoH alongside the lifting of the U.S. naval blockade,³ though he did not specify the terms of Iranian compliance. Past Iranian proposals that were previously rejected by the United States suggested a phased relaxation of Iranian control over the SoH in exchange for incremental sanctions relief.

- Iran is unlikely to remove all SoH restrictions and is very likely to move forward with plans to formalize transit fees across the strait. While there is a roughly even chance that Iran drops these fees in exchange for sanctions relief that provides a comparable economic stimulus, it is almost certain to maintain its military capability to threaten shipping. For its part, the United States remains very unlikely to lift all sanctions without a long-term nuclear agreement and a significant reduction in Iranian control over the SoH.

Israel, Hezbollah, and Proxies

The MOU reportedly includes a cessation of hostilities across all conflict zones.⁴ Iran likely seeks to preserve its proxy network—particularly in Lebanon, where Israeli operations against Hezbollah remain ongoing.⁵ These operations represent the primary short-term risk to formalizing an end to the war.

Iran maintains an unambiguous requirement that the ceasefire encompass all fronts, a condition that Israel almost certainly opposes. Throughout its recent ceasefire in Lebanon, Israel has refused to end military operations or withdraw from southern Lebanon. Similarly, Hezbollah has refused to abide by the ceasefire without a full Israeli withdrawal.

In the short term, the United States is likely to pressure Israel to lessen its operations in Lebanon, especially if President Trump believes these actions jeopardize peace talks with

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[hXXps://www.abc\[.\]net\[.\]au/news/2026-05-28/iran-war-us-draft-peace-deal-memorandum-hormuz-blockade/106730174](https://www.abc.net.au/news/2026-05-28/iran-war-us-draft-peace-deal-memorandum-hormuz-blockade/106730174)

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[hXXps://www.aa\[.\]com\[.\]tr/en/middle-east/factbox-iranian-us-versions-of-potential-agreement-proposals/3947540](https://www.aa.com.tr/en/middle-east/factbox-iranian-us-versions-of-potential-agreement-proposals/3947540)

⁵ [hXXps://www.bbc\[.\]com/news/articles/cx21lrgngp0o](https://www.bbc.com/news/articles/cx21lrgngp0o)

Iran. While Israel is likely to abide by the MOU if it mandates an end to hostilities in Lebanon, it will very likely continue pressing the United States to decouple the two conflicts in the future.

- The global market reaction—including substantially lower oil prices and higher stock markets—suggests that the prospect of a deal is currently outweighing the escalatory risks from renewed fighting across conflict zones.⁶
- Conversely, the relative absence of economic pressure on the United States is likely delaying its full support for the MOU. Perceptions that the deal is overly favorable to Iran are likely influencing the Trump administration, which has broadcast mixed messages regarding some components of the MOU.

The latest MOU makes few requirements on Iran's missile program or its international support for proxy groups across the Middle East. Iran is very unlikely to offer significant concessions on these issues in the short term. However, the war's impact on the Iranian economy will very likely necessitate the government focusing on domestic issues, making a significant increase in material support for its proxy groups likely years away.

| Conclusion

While the ceasefire remains fragile and numerous issues between the United States and Iran are unresolved, the latest MOU finally establishes a framework for talks. This begins with reopening the SoH and developing a long-term timeline for outstanding security concerns. However, the risk of renewed conflict persists and will likely escalate if talks stall into June, particularly with ongoing fighting in Lebanon and sporadic operations around the SoH threatening the short-term stability of the truce.

Long-term peace is less certain, as the MOU reveals that both sides agree on little beyond a 60-day lull alongside SoH reopening. Without meaningful progress on the nuclear issue, the threat of renewed fighting will remain.

⁶ <https://finance.yahoo.com/markets/stocks/articles/us-stock-futures-gain-crude-170202219.html>

| Appendix A: Traffic Light Protocol for Information Dissemination

| | Red | Amber |
|--------------------------------|--|--|
| WHEN SHOULD IT BE USED? | Sources may use TLP:RED when information cannot be effectively acted upon by additional parties and could lead to impacts on a party's privacy, reputation, or operations if misused. | Sources may use TLP:AMBER when information requires support to be effectively acted upon but carries risks to privacy, reputation, or operations if shared outside of the organizations involved. |
| HOW MAY IT BE SHARED? | Recipients may NOT share TLP:RED with any parties outside of the specific exchange, meeting, or conversation in which it is originally disclosed. | Recipients may ONLY share TLP:AMBER information with members of their own organization and its clients, but only on a need-to-know basis to protect their organization and its clients and prevent further harm. Note that TLP:AMBER+STRICT restricts sharing to the organization only. |
| | Green | Clear |
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| Appendix B: ZeroFox Intelligence Probability Scale

All ZeroFox intelligence products leverage probabilistic assessment language in analytic judgments. Qualitative statements used in these judgments refer to associated probability ranges, which state the likelihood of occurrence of an event or development. Ranges are used to avoid a false impression of accuracy. This scale is a standard that aligns with how readers should interpret such terms.

| Almost No Chance | Very Unlikely | Unlikely | Roughly Even Chance | Likely | Very Likely | Almost Certain |
|------------------|---------------|----------|---------------------|--------|-------------|----------------|
| 1-5% | 5-20% | 20-45% | 45-55% | 55-80% | 80-95% | 95-99% |